

1 applications were misrepresentations or lack of candor.

2 MR. SCHONMAN: Your Honor, may the Bureau be heard?

3 JUDGE CHACHKIN: Yes.

4 MR. SCHONMAN: The issue in this case as it relates
5 to Glendale, is whether there were misrepresentations or lack
6 candor in the extension applications. And in this declaration
7 we have an affirmative representation that Mr. Gardner was
8 going to essentially shape up.

9 If it is found that there were misrepresentations or
10 lack of candor in those extension applications, I think Mr.
11 Gardner's failure to live up to this affirmative represen-
12 tation goes to the sanction that he might impose. It doesn't
13 establish necessarily, an additional misrepresentation,
14 because there is no such issue, it goes to the sanction.

15 MR. SCHAUBLE: Your Honor, in order to -- our
16 position is is that the order -- in order to disqualify
17 Glendale under this issue, you would have to find that George
18 Gardner acted with, as opposed to anybody else in the Raystay
19 Company, was not -- was not connected with Glendale
20 Broadcasting Company, -- intent to deceive the Commission.

21 And if Your Honor so finds, which Glendale believes
22 you will not, then I'm sure Your Honor will take the
23 appropriate action. But I don't think the statement in and
24 of itself relates to -- I seem to hearing some sort of theory
25 that Glendale could be disqualified absent some sort of an

1 intent to deceive on George Gardner's part, which I don't
2 believe would be supported by the case law, -- to make an
3 example with respect to Trinity.

4 Many years ago there was an issue concerning --
5 concerning representations Trinity had made in an application,
6 and the finding was made by then Administrative Law Judge
7 Fitzpatrick, that the statement contained a misrepresentation.
8 But there was no disqualification of Trinity because the
9 finding was made that Dr. Crouch had not known that there was
10 -- that there was a misrepresentation, and therefore there was
11 no intent to deceive on his part, and therefore Trinity was
12 not basically disqualified.

13 MR. EMMONS: Well Your Honor, could I be heard, I
14 don't know the matter to which Mr. Schauble just referred.
15 But I do know this. There is a Commission decision in Golden
16 Broadcasting, and a pertinent portion of this is directly
17 relevant to the point that we're focused on.

18 This was a licensee named Parker, and you will see
19 the analogy here, I think Your Honor, I'm going to quote from
20 paragraph 16 of the Commission Decision. "Parker made
21 misstatements in the 1971 renewal application. These
22 misstatements, his lack of knowledge of the station
23 programming, and his responsibilities were all pointed out in
24 the 1974 hearings. Parker acknowledged his mistakes, claimed
25 that he knew what his responsibilities were, and promised to

1 do better in the future. And yet barely two months
2 thereafter, Parker again filed with this Commission an
3 official document replete with misrepresentations,
4 misrepresentations concerning the same subject matter
5 scrutinized at the 1974 hearings."

6 "We need not determine now whether the ALJ properly
7 held in his initial decision that the misstatements were the
8 result of carelessness. The degree of carelessness
9 demonstrated on the records, as supplemented by the
10 evidentiary hearing upon remand, was so wanton, gross and
11 callous and in total disregard of the licensee's obligations
12 to the Commission as to be equivalent to an affirmative and
13 deliberate intent."

14 The key part of that, Your Honor, I submit, was the
15 fact that the licensee had been -- acknowledge his previous --
16 his mistakes and had promised to do better and then thereafter
17 apparently the same thing happened, he pretended he didn't
18 know about it and the Commission went on to say in light of
19 all those circumstances, he's culpable anyway.

20 So that's the relevance of these representations set
21 by Mr. Gardner in his declaration.

22 JUDGE CHACHKIN: Well, we don't know what Mr.
23 Gardner's defense is going to be, but I believe that -- but I
24 do agree that it could be relevant, and I will receive TBF
25 Exhibit 258.

1 (Whereupon, the document referred to
2 as TBF Exhibit No. 258 was received
3 into evidence.)

4 MR. SCHAUBLE: Your Honor, assuming all the argument
5 here has been about this one sentence here --

6 JUDGE CHACHKIN: That's all that it's being offered
7 for, is just this promise by Mr. Gardner to do better in the
8 future.

9 MR. SCHAUBLE: Your Honor, I'd ask -- my question
10 then is what's the relevance of the remainder of the --

11 JUDGE CHACHKIN: It's just part of the document, but
12 I gather that's the only portion that's being offered, that's
13 being asked to be offered -- received, am I not correct?

14 MR. EMMONS: That's the only part of it that Trinity
15 intends to focus on, Your Honor.

16 JUDGE CHACHKIN: All right. TBF Exhibit 260, any
17 objection?

18 MR. SCHAUBLE: I think we're on 259, Your Honor.

19 JUDGE CHACHKIN: 259, all right.

20 MR. SCHAUBLE: Yes, Your Honor, I have an objection.
21 Your Honor, again I have an objection on the basis of
22 relevance. We have -- I mean, we have a -- I don't think we
23 have a similar type of statement as we did with respect to
24 258.

25 JUDGE CHACHKIN: Well, let's find out what the

1 purpose of 259 is?

2 MR. EMMONS: Well, it's exactly the same, Your
3 Honor, this document is the second of two declarations as
4 submitted by George Gardner to the Commission, following the
5 RKO decision, and prior to the Commission's grant of his five
6 low power construction permits. And this is essentially a
7 follow up to the first declaration in which Mr. Gardner makes
8 the very same kind of affirmation with respect to his -- the
9 steps he intended to take to insure future compliance.

10 He says in the second para -- this is now page 2 of
11 the exhibit, which is the first page of the declaration, in
12 the bottom paragraph, starting the second line, it says, "I
13 have instructed my FCC counsel, who is also Raystay's FCC
14 counsel, to devise a compliance program which will insure that
15 Raystay's operation of its low power television station is
16 strictly in compliance with all Commission Rules and
17 Regulations."

18 And then the last sentence of that same paragraph
19 says "If the Commission grants the five pending LPTV
20 applications, the compliance program will be extended to
21 include these stations."

22 JUDGE CHACHKIN: TBF Exhibit 259 is received.

23 (Whereupon, the document referred to
24 as TBF Exhibit No. 259 was received
25 into evidence.)

1 JUDGE CHACHKIN: Any objection to TBF Exhibit 260?

2 MR. SCHAUBLE: Yes, Your Honor. Objection on the
3 basis of relevance.

4 JUDGE CHACHKIN: What's the portion that you
5 consider relevant, what's the purpose of this Exhibit?

6 MR. EMMONS: Well, this Your Honor, is again to
7 reflect that the applicant remained under heightened scrutiny.
8 What this letter was is the Bureau granting the low power
9 applications after Mr. Gardner made his declarations in the
10 wake of the RKO decision.

11 And the pertinent portion of the letter really is
12 that page 2 of the letter, Your Honor, down on the bottom
13 paragraph, about five lines up, in which the Chief of the
14 Bureau says, "We see no reason at this time to remove the RKO
15 procedure for all future applications for new stations."

16 "In view of the Commission's clear directive to the
17 Bureau we believe that it is appropriate to continue to
18 subject future applications by you to heightened scrutiny."
19 So it's just a continuation of the fact that it was made in
20 the RKO decision itself.

21 JUDGE CHACHKIN: TBF Exhibit 260 is received.

22 (Whereupon, the document referred to
23 as TBF Exhibit No. 260 was received
24 into evidence.)

25 JUDGE CHACHKIN: Where are these remaining exhibits?

1 MR. EMMONS: Well, there's a Volume 3-E, Your Honor.
2 They're actually 3-E and 3-F, they're two volumes, if they're
3 not on your desk, they should be, and if they're not, I'll
4 give you a copy right now.

5 JUDGE CHACHKIN: Perhaps -- oh, I have it here, I
6 have it here.

7 MR. EMMONS: Do you have them both, Your Honor?

8 JUDGE CHACHKIN: Yes, sir.

9 MR. SCHAUBLE: Are you going to take an afternoon
10 recess, Your Honor?

11 JUDGE CHACHKIN: Yeah, let's finish this and then
12 we'll take an afternoon recess. All right, we'll take a ten
13 minute recess.

14 (Off the record.)

15 (Back on the record.)

16 JUDGE CHACHKIN: Back on the record.

17 MR. EMMONS: Next, Your Honor, I will identify the
18 final five TBF exhibits. TBF Exhibit 2 -- yes, 261, is a two
19 page exhibit consisting of a redacted first page of a letter
20 to George Gardner dated July 15, 1991. And the second page of
21 which is a handwritten note, apparently related to the letter.

22 (Whereupon, the document referred to
23 as TBF Exhibit No. 261 was marked for
24 identification.)

25 MR. EMMONS: TBF Exhibit 262 is a redacted draft of

1 portions of what is titled a loan and security agreement
2 between Raystay Company and Greyhound Financial Corporation.
3 This document totals 12 pages -- excuse me, the exhibit totals
4 12 pages.

5 (Whereupon, the document referred to
6 as TBF Exhibit No. 262 was marked for
7 identification.)

8 MR. EMMONS: TBF Exhibit 263 is portions of a
9 redacted draft dated June 10, 1992, of a loan and security
10 agreement between Raystay Company and Greyhound Financial
11 Corporation. And this Exhibit totals 14 pages.

12 (Whereupon, the document referred to
13 as TBF Exhibit No. 263 was marked for
14 identification.)

15 MR. EMMONS: TBF Exhibit 264 is portions, redacted
16 portions of the document dated July 31, 1992, entitled "Loan
17 Agreement by and between Raystay Company and Greyhound
18 Financial Corporation." This Exhibit totals 21 pages.

19 (Whereupon, the document referred to
20 as TBF Exhibit No. 264 was marked for
21 identification.)

22 MR. EMMONS: And moving to Volume 3, after the final
23 TBF Exhibit is Exhibit 265. Which is a document of 126 pages,
24 which collectively are the deposition transcripts of Harold
25 Etsell, and including certain exhibits, or one -- no, strike

1 that, Your Honor, no Exhibits, just the deposition, plus
2 signature page, and errata sheet at the end.

3 (Whereupon, the document referred to
4 as TBF Exhibit No. 265 was marked for
5 identification.)

6 JUDGE CHACHKIN: The documents described are marked
7 for identification as TBF Exhibits 261 through 265.

8 MR. EMMONS: I'll offer them all into evidence at
9 this point, Your Honor.

10 JUDGE CHACHKIN: Objections?

11 MR. SCHAUBLE: Yes, Your Honor. I have objections
12 to 261 to 264. And it's, I mean, I an discuss individual
13 documents if I want, but I think it's basically the same
14 objection for --

15 JUDGE CHACHKIN: All right. Why don't you state it.

16 MR. SCHAUBLE: These documents all relate to
17 negotiations between Raystay and a lender, Greyhound Financial
18 Corporation. As reflected in Exhibit 264, the final agreement
19 is dated July 31, 1992, which is after the filing of the
20 second extension application.

21 I presume the purpose for which these documents are
22 being offered are for certain restrictions listed in here,
23 concerning use of funds and things like that, which as of the
24 time the document was -- as of the time the document was
25 signed, put certain restrictions on Raystay's company use of

1 funds, use of the loan proceeds, and matters such as that.

2 I object on the basis of relevance because as of the
3 time both sets of extension applications were filed, there
4 were no such restrictions, there was no loan agreement between
5 Greyhound and Raystay, and therefore there was no relevance.
6 The facts that there were drafts and discussions going back
7 and forth as referred -- as shown in Exhibits 261 and 263, we
8 submit, have no relevance.

9 I don't think the findings we made that, for
10 instance, that Raystay did not construct the low power
11 stations, because restrictions -- because restrictions in the
12 loan agreement prevented it from doing so, when in fact there
13 was no restrictions in effect, and enforced at the time the
14 two extension applications were filed. I therefore object on
15 the basis of relevance.

16 MR. EMMONS: Your Honor, these Exhibits will go
17 directly, I think, to the state of mind of Raystay at the time
18 it filed its first set of extension applications in December
19 of 1991, and its second set of extension applications filed in
20 July of 1992.

21 The testimony will develop, I think Your Honor,
22 based on what we've learned in depositions, that Raystay began
23 negotiating with Greyhound -- Greyhound Financial Corporation
24 around -- between the first and second quarter of 1991.

25 And as document -- Exhibit 261 reflects, as an

1 adjunct to the letter of July 15, 1991, the handwritten note
2 on the second page states in part that "Nor will any of the
3 proceeds of the GFC term loan, or any of the cash generated by
4 operation of the system, be lent to, or used by T.V. 40/LPTV."

5 Now, we haven't had an opportunity for questioning
6 of the witnesses on these documents, Your Honor, because we
7 only got the -- we only learned of the documents in the last
8 of the depositions, and obtained the documents in document
9 production thereafter.

10 But from what we have learned in depositions, it
11 appears that Raystay contemplated at least from the July of
12 1991 or thereabouts, that if it was going to have a loan from
13 Greyhound, and it was negotiating for a loan from Greyhound,
14 for its entire cable operation refinancing, that Greyhound was
15 going to prohibit as one of the terms of that loan, Raystay
16 spending money on developing low power construction -- low
17 power television stations under construction permits.

18 If that's the case, and assuming that that's what it
19 shows, Raystay's contemplation that that was the case, and its
20 knowledge that Greyhound was going to impose that restriction,
21 would be relevant to the intent that Raystay had at the time
22 in December of '91, when it filed extension applications.
23 Then again July of '92 they filed.

24 Because the -- having the knowledge that Greystay --
25 that Greyhound would not permit it, and wanting to secure an

1 agreement with Greyhound as eventually was secured, effective
2 July 31, 1992, I think the trier of fact may fairly infer, and
3 again this is not necessarily the only inference, but
4 certainly a permissible inference, that Raystay was not, had
5 no plan and no intent to use money to spend in developing new
6 low power stations in light of the restriction that Greyhound
7 was discussing with them, as early as July 1991, in other
8 words they were on notice of Greyhound's position as early as
9 six months before they filed the first extension application.

10 The testimony will further show, we think Your
11 Honor, based on what we've learned in deposition, that when
12 Raystay adopted its budget for fiscal year 1992, having
13 adopted the budget in October of '91, two months before it
14 filed its first extension application, it did not include any
15 money in the budget for construction of any low power
16 stations. And that again was related, we think, from the
17 testimony we've had so far, at least related in part to the
18 restrictions that Greyhound was talking about imposing in the
19 course of the negotiations that were ongoing at that time, and
20 throughout the latter half of '91 and the first half of '92.

21 So these four documents, the exhibits put together,
22 261 to 264, constitute the first indications in July '91, and
23 then as reflected in drafts of January '92, which is Exhibit
24 262, draft of June 10 of '92, which is Exhibit 263, and then
25 ultimately coming into fruition in the final agreement dated

1 July 31, 1992 which is TBF Exhibit 264, and all the
2 restrictions that were reflected in that note that I read a
3 moment ago, Your Honor, we will see are carried forward into
4 these drafts and ultimately into the final -- final agreement.

5 Now, as to the point that the agreement was not
6 signed until after the second set of extension applications
7 was filed, I think there's an additional relevance,
8 notwithstanding that the date came July 31, is after July 9,
9 to be sure.

10 And that is that the record will reflect that the
11 second set of extension applications filed July 9, 1992, were
12 pending before the Commission and under consideration by the
13 Commission until September 23, 1992, when they were granted as
14 reflected in one of the earlier exhibits that has already been
15 received.

16 And while an application is pending, of course,
17 anything that is pertinent to the representations made in the
18 application is relevant. And one of the -- let me say that the
19 Commission Law on what is implicit in the filing of an
20 application is very clear, and if Low Power Television Order,
21 I think in 1982, the Commission said, "Implicit in the filing
22 of an application is an intent to construct a station and
23 commence service." That was quote.

24 So with the pendency of the July 1992 application,
25 that was an implicit representation that Raystay intended to

1 construct.

2 Again on July 31, they signed an agreement with
3 Greyhound, which will be seen when the agreement is examined,
4 will be seen contain direct prohibitions on Raystay using
5 funds to construct low power television stations. So -- and
6 that was -- that was not reported to the Commission, it was
7 not disclosed.

8 There is Commission law that where a licensee is in
9 possession of documents that contradict representations in a
10 pending application, it has an obligation to disclose those to
11 the Commission. That law was established, among other cases
12 in the Valley FM Radio Case, 99 FCC, second page, 924.

13 So for all of those reasons, Your Honor, we would
14 submit that Exhibits 261 through 264 do have direct relevance
15 to Raystay's state of mind, concerning its intention of
16 whether or not to construct and also whether it disclosed
17 something, or failed to disclose something it should have
18 disclosed, when it had a pending application on file.

19 JUDGE CHACKIN: Do you have anything further, Mr.
20 Schauble?

21 MR. SCHAUBLE: Yes, Your Honor. First of all at
22 least with respect to the drafts I don't think you can find
23 that there was a proposal or a draft necessarily reflects
24 anything about anybody's state of mind. A draft is nothing
25 more than that. A draft is not a binding agreement between

1 the parties and is always subject to negotiations.

2 I also think the record would reflect, you know,
3 concerning the effect, I think there is some disagreement
4 concerning what the effect of these restrictions were on
5 Raystay's ability to construct the low power stations.

6 And with respect to Mr. Emmons' final point, he
7 appears to be making some sort of 1.65 argument that is, in my
8 understanding there is no 1.65 issue designated against
9 Raystay. The issue relates to the application as it was
10 filed, not as to whether -- not as to whether Raystay violated
11 1.65.

12 JUDGE CHACHKIN: Well, that's not -- I don't think
13 that's the point, the point of the question is whether he told
14 the Commission his real reason, if there was a different
15 reason than he asserted, for his requesting extension of time.
16 Knowing of course, I assume it follows that if he had told the
17 Commission he wished an extension of time, so he'd have an
18 opportunity to sell the station, it would have been denied,
19 under Commission Law.

20 That's the theory, I assume, propounded by Counsel.

21 MR. EMMONS: Yes, Your Honor.

22 JUDGE CHACHKIN: I'll receive TBF Exhibits 261
23 through 264.

24 (Whereupon, the documents referred to
25 as TBF Exhibits No. 261-264 were

1 received into evidence.)

2 JUDGE CHACHKIN: And there's no objection to 265, is
3 that correct?

4 MR. SCHAUBLE: That's correct, Your Honor, we assume
5 that the admission of this exhibit into evidence, Mr. Etsell
6 will be released from cross examination.

7 MR. EMMONS: That was the agreement, Your Honor.

8 JUDGE CHACHKIN: All right. TBF Exhibit 265 is
9 received.

10 (Whereupon, the document referred to
11 as TBF Exhibit No. 265 was received
12 into evidence.)

13 JUDGE CHACHKIN: And that concludes your documents
14 you have, I assume, Mr. Emmons?

15 MR. EMMONS: It does, Your Honor.

16 JUDGE CHACHKIN: And we can move on now to what?

17 MR. EMMONS: I think, Your Honor, although I'm not
18 handling this portion of the case, I think in the sequence of
19 events now, we go, I guess, to Glendale for their
20 identification of their Exhibits?

21 MR. COHEN: Well, can we --

22 JUDGE CHACHKIN: Let's go off the record.

23 (Off the record.)

24 (Back on the record.)

25 MR. SCHONMAN: During an off the record discussion,

1 the Mass Media Bureau agreed to not have marked for
2 identification or moved into evidence, various documents which
3 are duplicate -- duplicative of those documents which TBF has
4 already put into the record.

5 However, in the interest of time we are not going to
6 renumber the documents that have previously been exchanged,
7 and we will have marked for identification documents which are
8 not common with those put in by Trinity.

9 JUDGE CHACHKIN: And you're going to indicate which,
10 as you go chronologically, you're going to indicate which ones
11 are not being identified, you're not asking to be identified.
12 So that the record will reflect there's no gaps in the
13 numbers.

14 MR. SCHONMAN: I can do that, Your Honor. The
15 Bureau's documents which relate to the -- which relate to
16 Glendale begin at Exhibit 500. And the Bureau is not going to
17 have marked for identi-- is not going to have marked for
18 identification or moved into evidence, number 500, or 501. Or
19 503, however the Bureau would like to have marked for
20 identification as Bureau Exhibit Number 504 -- did I mention
21 502? The Bureau is not having marked for identification 502.

22 The Bureau does wish to have marked for
23 identification as Bureau Exhibit 504, a one page document
24 dated January 22, 1991, signed by David Gardner.

25 JUDGE CHACHKIN: All right, the document described

1 is marked for identification as Bureau Exhibit 504.

2 (Whereupon, the document referred to
3 as Bureau Exhibit No. 504 was marked
4 for identification.)

5 MR. SCHONMAN: The Bureau does not wish to have
6 marked for identification 505, 506 or 507. The Bureau
7 requests that Your Honor mark for identification as Bureau
8 Exhibit 508 a one page document dated January 18, 1991, from
9 David Gardner to an individual by the name of Hal.

10 JUDGE CHACHKIN: That's 508?

11 MR. SCHONMAN: Correct.

12 JUDGE CHACHKIN: The document described will be so
13 marked.

14 (Whereupon, the document referred to
15 as Bureau Exhibit No. 508 was marked
16 for identification.)

17 MR. SCHONMAN: The Bureau requests that Your Honor
18 mark for identification as Bureau Exhibit 509, a document
19 spanning four pages, the first page of which is entitled "Low
20 Power T.V. Plan dated February 12, 1991.

21 JUDGE CHACHKIN: The document will be so marked.

22 (Whereupon, the document referred to
23 as Bureau Exhibit No. 509 was marked
24 for identification.)

25 MR. SCHONMAN: The Bureau does not wish to have

1 marked for identification Exhibits 510 through 518. The
2 Bureau requests that Your Honor mark for identification as
3 Exhibit 519, a one page document on TBM letterhead to Mr. Tom
4 Riley, dated October 3, 1991.

5 JUDGE CHACKIN: The document will be so marked.

6 (Whereupon, the document referred to
7 as Bureau Exhibit No. 519 was marked
8 for identification.)

9 MR. SCHONMAN: The Bureau wishes to have marked for
10 identification as number 520, a one page document showing a
11 credit card -- two credit card receipts.

12 JUDGE CHACKIN: The document will be so marked.

13 (Whereupon, the document referred to
14 as Bureau Exhibit No. 520 was marked
15 for identification.)

16 MR. SCHONMAN: The Bureau does not wish to have
17 marked for identification Exhibits 521 through 529. We
18 request that you mark for identification as Bureau Exhibit
19 Number 530, a one page document dated February 24, 1992, from
20 David Gardner to an individual by the name of Lee.

21 JUDGE CHACKIN: The document will be so marked.

22 (Whereupon, the document referred to
23 as Bureau Exhibit No. 530 was marked
24 for identification.)

25 MR. SCHONMAN: We request that you mark for

1 identification as Bureau Exhibit Number 531, a one page
2 document dated February 28, 1992, from Jim Carr to Mr.
3 Gardner.

4 JUDGE CHACHKIN: The document will be so marked.
5 (Whereupon, the document referred to
6 as Bureau Exhibit No. 531 was marked
7 for identification.)

8 MR. SCHONMAN: We would request that you mark for
9 identification as Bureau Exhibit Number 532 a one page
10 document from Lee Sandifer to Mr. Dennis Grolman dated March
11 30, 1992.

12 JUDGE CHACHKIN: The document will be so marked.
13 (Whereupon, the document referred to
14 as Bureau Exhibit No. 532 was marked
15 for identification.)

16 MR. SCHONMAN: The Bureau does not wish to have
17 marked for identification Exhibit Number 533. It does request
18 that you mark for identification as number 534 a three page
19 document, the first page of which is a cover letter from Mr.
20 John Schauble to Mr. David Gardner dated June 29, 1992, the
21 remaining two pages consist of a document entitled Exhibit 1.

22 JUDGE CHACHKIN: The document will be so marked.
23 (Whereupon, the document referred to
24 as Bureau Exhibit No. 534 was marked
25 for identification.)

1 MR. SCHONMAN: The Bureau wishes to have marked for
2 identification as document number 535, a seven page document,
3 the first page of which is a cover letter -- cover letter from
4 John Schauble to David Gardner dated June 30, 1992, and
5 accompanying that cover letter is FCC Form 307.

6 JUDGE CHACHKIN: This is 535?

7 MR. SCHONMAN: Correct.

8 JUDGE CHACHKIN: The document will be so marked for
9 identification.

10 (Whereupon, the document referred to
11 as Bureau Exhibit No. 535 was marked
12 for identification.)

13 MR. SCHONMAN: And the remaining documents which
14 have been exchanged by the Bureau, that would be documents
15 number 536 through 541, the Bureau does not wish to have
16 marked for identification.

17 As to those documents which have been identified,
18 the Bureau requests that Your Honor receive those into
19 evidence.

20 JUDGE CHACHKIN: All right. Let's take them up.

21 MR. SCHAUBLE: Your Honor, I believe the first is
22 504.

23 JUDGE CHACHKIN: 503 -- 504, you're right. Any
24 objection to 504?

25 MR. SCHAUBLE: Yes, Your Honor, this relates to

1 Alternatives Virginia/Quality Family, and I -- instead of
2 repeating myself, I'll object to this document for the reasons
3 previously stated --

4 JUDGE CHACHKIN: All right.

5 MR. SCHAUBLE: -- with respect to Trinity's
6 documents on these subjects.

7 JUDGE CHACHKIN: Bureau Exhibit 504 is received.

8 (Whereupon, the document referred to
9 as Bureau Exhibit No. 504 was
10 received into evidence.)

11 JUDGE CHACHKIN: 508?

12 MR. SCHAUBLE: No objection, Your Honor.

13 JUDGE CHACHKIN: Bureau Exhibit 508 is received.

14 (Whereupon, the document referred to
15 as Bureau Exhibit No. 508 was
16 received into evidence.)

17 JUDGE CHACHKIN: 509?

18 MR. SCHAUBLE: No objection.

19 JUDGE CHACHKIN: Bureau Exhibit 509 is received.

20 (Whereupon, the document referred to
21 as Bureau Exhibit No. 509 was
22 received into evidence.)

23 JUDGE CHACHKIN: Bureau Exhibit 519?

24 MR. SCHAUBLE: No objection.

25 JUDGE CHACHKIN: Bureau Exhibit 519 is received.

1 (Whereupon, the document referred to
2 as Bureau Exhibit No. 519 was
3 received into evidence.)

4 JUDGE CHACHKIN: 520?

5 MR. SCHAUBLE: No objection, Your Honor.

6 JUDGE CHACHKIN: Bureau Exhibit 520 is received.

7 (Whereupon, the document referred to
8 as Bureau Exhibit No. 520 was
9 received into evidence.)

10 JUDGE CHACHKIN: 530?

11 MR. SCHAUBLE: No objection, Your Honor.

12 JUDGE CHACHKIN: Bureau Exhibit 530 is received.

13 (Whereupon, the document referred to
14 as Bureau Exhibit No. 530 was
15 received into evidence.)

16 JUDGE CHACHKIN: 531?

17 MR. SCHAUBLE: Yes, Your Honor, I object to this on
18 the basis of relevance. At least the record will reflect that
19 Mr. Carr was not a potential buyer in any of the permits, but
20 that he was someone who was looking for work, at one of the
21 stations that they were building, therefore I object to this
22 document on the basis of relevance.

23 JUDGE CHACHKIN: Mr. Schonman?

24 MR. SCHONMAN: Your Honor, could I have a moment to
25 consult TBF Counsel?

1 JUDGE CHACHKIN: Yes.

2 MR. SCHONMAN: Your Honor, the Bureau will withdraw
3 this document.

4 JUDGE CHACHKIN: All right. Bureau Exhibit 531 has
5 been withdrawn.

6 (Whereupon, the document referred to
7 as Bureau Exhibit No. 531 was
8 withdrawn from evidence.)

9 JUDGE CHACHKIN: Bureau Exhibit 532, any objection?

10 MR. SCHAUBLE: Yes, Your Honor. I object on the
11 basis of relevance.

12 JUDGE CHACHKIN: Is this a previously -- oh, this is
13 a different reason.

14 MR. SCHAUBLE: This is -- I think this is different,
15 Your Honor, these are -- most of these -- most of the
16 documents referenced in here, this appears to be documents
17 that were exchanged at the time of the closing of the Red
18 Lion, or the Red Lion/York sale. One of the documents, where
19 it says "Copy of CP Form, Lancaster Permits," but I don't
20 think there's any foundation in any of the testimony that that
21 was in connection with any potential sale, or negotiations
22 concerning that permit.

23 JUDGE CHACHKIN: Mr. Schonman?

24 MR. SCHONMAN: Your Honor, I believe this document
25 will show Raystay's interest in selling the remaining permits

1 that it then owned.

2 JUDGE CHACHKIN: What do you mean by remaining
3 permits?

4 MR. SCHONMAN: Well, as I understand it, Mr. Grolman
5 through Gross Ap, purchased the Red Lion facility. But
6 Raystay at that time still retained the remaining permits, the
7 unbuilt construction permits, which I think the testimony will
8 show they were still trying to sell, rather than construct.

9 JUDGE CHACHKIN: I'll receive Bureau Exhibit 532.
10 (Whereupon, the document referred to
11 as Bureau Exhibit No. 532 was
12 received into evidence.)

13 JUDGE CHACHKIN: 534, any objection?

14 MR. SCHAUBLE: No objection to 534, Your Honor.

15 JUDGE CHACHKIN: Bureau Exhibit 534 is received.
16 (Whereupon, the document referred to
17 as Bureau Exhibit No. 534 was
18 received into evidence.)

19 JUDGE CHACHKIN: Any objection to 535?

20 MR. SCHAUBLE: No objection, Your Honor.

21 JUDGE CHACHKIN: Bureau Exhibit 535 is received.
22 (Whereupon, the document referred to
23 as Bureau Exhibit No. 535 was
24 received into evidence.)

25 JUDGE CHACHKIN: All right. Where do we go from